

Adcock Ingram bleeding money

Drug maker Adcock Ingram reported a headline loss per share of 179.5c for the nine months to June from headline earnings of 271.7c in the prior period.



Adcock Ingram reported a loss of R962m this year after making a profit of R463m last year. It blamed the poor performance on lower sales and dealing with merger proposals. Image: Nenov Borthers

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Its loss for the period was reported at R962m from profit of R463m in the prior period.

While there were several reasons specific to the pharmaceutical sector for the group's weak trading performance, the board said in statement that these was "aggravated" by a poor economic climate in South Africa.

It said that Adcock Ingram's executive leadership had been immersed in and substantially preoccupied with the CFR merger proposal, which had failed.

The sales performance during the period under review was considered "disappointing", resulting in turnover of R3.615bn.

Gross profit as a percentage of sales was reduced to 32%, largely because of the effect of currency weakness (16% depreciation), which negatively affected the import costs of active ingredients and finished goods. This was compounded by input costs inflation.